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DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

7 CFR Part 225

[FNS-2013-0026]

RIN 0584-AD84

Simplified Cost Accounting and Other Actions to Reduce Paperwork in the Summer Food Service Program; Correction

AGENCY: Food and Nutrition Service (FNS), USDA.

ACTION: Correcting amendment.

SUMMARY: This document contains corrections to the final rule entitled “Simplified Cost Accounting and Other Actions to Reduce Paperwork in the Summer Food Service Program,” published in the Federal Register on June 1, 2018. These corrections do not impose new program requirements.

DATES: This document is effective [insert date of publication in the Federal Register].

Compliance with the final rule began July 31, 2018.

FOR FURTHER INFORMATION CONTACT: Andrea Farmer, Branch Chief, Community Meals Branch, Policy and Program Development Division, Food and Nutrition Service, at (703) 305-2590.

SUPPLEMENTARY INFORMATION: The Food and Nutrition Service published a final rule on June 1, 2018, (83 FR 25349), to simplify and streamline Program administration in the Summer Food Service Program. This document makes a technical correction to 7 CFR

225.6(b)(7) in order to clarify requirements for submission and review of annual budgets. The correction clarifies for program operators and State agencies the flexibilities available in the budget submission process. This does not alter the requirements of the provision. Additionally, the June 2018 final rule inadvertently removed regulatory text providing State agencies the discretion to determine the amount of advanced payments provided to sponsors. This document corrects this oversight by adding the missing regulatory text for 7 CFR 225.9(c)(3). The authority for this provision is provided by Section 13 in the Richard B. Russell National School Lunch Act, 42 U.S.C. 1761(e)(2). Finally, this document corrects small typographical errors in 7 CFR 225.9(d) and 7 CFR 225.15(m). All other regulatory provisions in the June 2018 final rule remain unchanged.

Need for Correction

As published, the regulatory text in 7 CFR part 225 after the June 1, 2018 final rule is being misinterpreted by program operators and requires technical corrections in 7 CFR 225.6, 225.9, and 225.15.

List of Subjects in 7 CFR Part 225

Food assistance programs, Grant programs—health, Infants and children, Labeling, Reporting and recordkeeping requirements.

Accordingly, 7 CFR part 225 is corrected by making the following correcting amendments:

PART 225 – SUMMER FOOD SERVICE PROGRAM

1. The authority citation for 7 CFR part 225 continues to read as follows:

Authority: Secs. 9, 13 and 14, Richard B. Russell National School Lunch Act, as amended (42 U.S.C. 1758, 1761 and 1762a).

2. In §225.6, revise paragraph (b)(7) to read as follows:

§225.6 State agency responsibilities.

* * * * *

(b) * * *

(7) The State agency shall review each applicant's administrative budget as a part of the application approval process in order to assess the applicant's ability to operate in compliance with these regulations within its projected reimbursement. In approving the applicant's administrative budget, the State agency shall take into consideration the number of sites and children to be served, as well as any other relevant factors. A sponsor's administrative budget shall be subject to review for adjustments by the State agency if the sponsor's level of site participation or the number of meals served to children changes significantly. State agencies may exempt school food authorities applying to operate the SFSP from submitting a separate budget to the State agency, if the school food authority submits an annual budget for the National School Lunch Program and the submitted budget includes the operation of SFSP.

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3. In §225.9:

- a. Revise paragraph (c)(2);
- b. Redesignate paragraphs (c)(3), (4), and (5) as paragraphs (c)(4), (5), and (6);
- c. Add a new paragraph (c)(3); and

d. In the third sentence of paragraph (d)(5), remove the word “served”.

The revision and addition read as follows:

§225.9 Program assistance to sponsors.

* * * * *

(c) * * *

(2) Advance payment estimates. When determining the amount of advance payments payable to the sponsor, the State agency shall make the best possible estimate based on the sponsor’s request and any other available data. Under no circumstances may the amount of the advance payment exceed the amount estimated by the State agency to be needed by the sponsor to meet Program costs.

(3) Limit. The sum of the advance payments to a sponsor for any one month shall not exceed \$40,000 unless the State agency determines that a larger payment is necessary for the effective operation of the Program and the sponsor demonstrates sufficient administrative and managerial capability to justify a larger payment.

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§225.15 [Amended]

4. In §225.15(m)(6), remove the word “no” and add in its place the word “nor”.

Dated: April 3, 2019.

Brandon Lipps,
Administrator,
Food and Nutrition Service.

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